

By: \_\_\_\_\_ .B. No. \_\_\_\_\_

Substitute the following for .B. No. \_\_\_\_\_:

By: \_\_\_\_\_ C.S..B. No. \_\_\_\_\_

A BILL TO BE ENTITLED

AN ACT

relating to utility facilities for restoring electric service after  
a widespread power outage.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 39, Utilities Code, is  
amended by adding Section 39.918 to read as follows:

Sec. 39.918. UTILITY FACILITIES FOR POWER RESTORATION AFTER  
WIDESPREAD POWER OUTAGE. (a) In this section, "widespread power  
outage" means an event that results in:

(1) a loss of electric power affecting a significant  
number of distribution customers of a transmission and distribution  
utility; and

(2) a risk to public safety.

(b) Notwithstanding any other provision of this subtitle, a  
transmission and distribution utility may:

(1) lease and operate facilities that provide  
temporary emergency electric energy to aid in restoring power to  
the utility's distribution customers during a widespread power  
outage; and

(2) procure, own, and operate, or enter into a  
cooperative agreement with other transmission and distribution  
utilities to procure, own, and operate jointly, long lead time  
facilities that would aid in restoring power to the utility's  
distribution customers following a widespread power outage.

1       (c) The commission shall permit:

2           (1) a transmission and distribution utility that  
3 leases and operates facilities under Subsection (b)(1) to recover  
4 the costs of leasing and operating the facilities, including the  
5 present value of future payments required under the lease; and

6           (2) a transmission and distribution utility that  
7 procures, owns, and operates facilities under Subsection (b)(2) to  
8 recover the costs of procuring, owning, and operating the  
9 facilities, using the rate of return on investment established in  
10 the commission's final order in the utility's most recent base rate  
11 proceeding.

12       (d) The commission shall authorize a transmission and  
13 distribution utility to defer for recovery in a future ratemaking  
14 proceeding the incremental operations and maintenance expenses and  
15 the return, not otherwise recovered in a rate proceeding,  
16 associated with the leasing or procurement, ownership, and  
17 operation of the facilities.

18       (e) A transmission and distribution utility may request  
19 recovery of the costs of leasing or procuring, owning, and  
20 operating facilities under this section, including any deferred  
21 expenses, through a proceeding under Section 36.210 or in another  
22 ratemaking proceeding. A lease under Subsection (b)(1) must be  
23 treated as a capital lease or finance lease for ratemaking  
24 purposes.

25       SECTION 2. This Act takes effect September 1, 2021.